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December 17, 2010

Michael Berkoff
Remedial Project Manager
U.S. EPA region V
Superfund Division, Remedial Response Section #2
77 West Jackson Boulevard
Mail Code: SRF-6J
Chicago, IL 60604-3507

Dear Mr. Berkoff:

We greatly appreciate the opportunity to provide these comments to the USEPA National Remedy Review Board for the evaluation of Remedial Alternatives for the former Allied Paper Disposal Site that is part of the Allied Paper Inc, Portage Creek/Kalamazoo River Superfund Site. The former Allied site is located within four established and vital neighborhoods in Kalamazoo and an MDNRE approved 5 year time of travel Well Head Capture Zone. The outcome of the remediation process greatly impacts the future of a significant investment the city has already made for the redevelopment of sites that are contiguous to the former Allied Paper Disposal site.

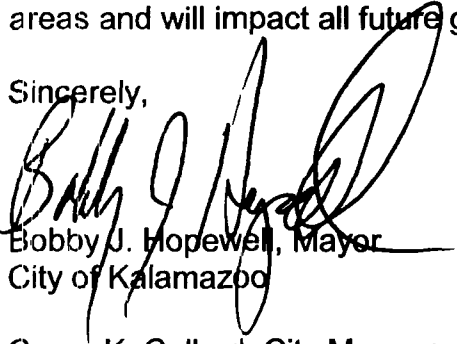
We have also appreciated the opportunity to remain involved in a document review and comment process that has been ongoing since the 2007 proposal to transport and dispose PCB contaminated sediment from the Kalamazoo River to the Allied Site and has progressed through the Remedial Investigation, Supplemental Groundwater Investigation report and partial drafts of the Feasibility Study. This unprecedented opportunity to participate in the Superfund process has provided the City numerous opportunities to express our concern that the selected remedial action must provide long term protection against adverse impact to the City's well field located north of the Allied Disposal Site; must not impact the future neighborhood quality of life; and provide the City with the ability to continue with the redevelopment and reuse of this property located in the middle of the City of Kalamazoo. Furthermore the City strongly believes that some of the alternatives are not protective of human health and environment on a long term basis.

In fact, it our opinion that the only viable remediation alternatives are those that will provide long term protection of the environment and public health that either call for the complete removal of the contaminated residuals from the site or provides for constructing a liner system, over which, the contaminated residuals are redeposited. If

contaminated residuals are left in place, a comprehensive groundwater monitoring system including wells completed in the deep regional aquifer should be implemented at the time of remedial action rather as a contingency.

We are at a critical juncture of the process whereby remediation alternatives will be selected and, at that point, the future use of the site will be determined. The ultimate use of the site is absolutely essential to the future life and sustainability of these neighborhoods. The outcome will have certain impact on the quality of life for these areas and will impact all future generations.

Sincerely,

A handwritten signature in black ink, appearing to read "Bobby J. Hopewell", is written over the typed name and title.

Bobby J. Hopewell, Mayor
City of Kalamazoo

C: K. Collard, City Manager
T. Schuitmaker
S. McCann
F. Upton
C. Levin
D. Stabenow
J. Granholm

City of Kalamazoo Comments for EPA Environmental, Redevelopment & Long-Range Perspective

Introduction

The City of Kalamazoo appreciates the opportunity to comment at this very critical juncture in the Superfund process as it relates to the potential clean up of a major site within the City's corporate limits. The Allied Paper Operable Unit #1 (known locally as the "Allied Landfill Site" or simply as the "Allied Site") is situated within four well-established and vital neighborhoods in Kalamazoo. These neighborhoods contribute greatly to the quality of life within the City and residents are active and critical to the community as a whole. Winding through these neighborhoods and the Allied Site is Portage Creek – beautiful water feature that enriches each neighborhood that it flows through.

The ultimate use of the Allied Site is absolutely essential to the ongoing life of these neighborhoods and the City. Failure to properly assess and address contamination issues at this site will leave a legacy within the City and for these neighborhoods that will impact many generations. Any actions taken must account for and contribute to the long-term quality and vitality of these neighborhoods, the City, and the entire region.

The opportunity for the best possible cleanup remedy for the Allied Site will occur as a part of the Final Record of Decision (ROD) that the United States Environmental Protection Agency (USEPA) will make. The importance of this historical decision for the City of Kalamazoo cannot be overstated. If contamination is left at the site as part of any decision, and with recent history as a guide, upon implementation of the site remedial action plan and the exhaustion of the trust funds, a transfer of this property to a local unit of government through tax-reversion is highly likely. The potential environmental liability associated with contaminant transport also remains with any alternative that leaves the contaminated wastes onsite.

Furthermore, the Allied Site (or OU-1) is located within a Michigan Department of Natural Resources and Environment (MDNRE) approved Wellhead Protection Area (Figure 1). The federal Safe Drinking Water Act 1996 Amendments define a Wellhead Protection Area (WHPA) as "... the surface and subsurface area surrounding a water well or well field, supplying a public water system, through which contaminants are reasonably likely to move toward and reach such water well or well field." Specifically, OU-1 is within a five-year capture zone of a major City-owned well field. The City has consistently expressed its concern that wellhead protection had not seriously been considered throughout the Remedial Investigation (RI) process or the Supplemental Groundwater Evaluation Study. Consequently, there still is not sufficient hydrogeologic knowledge or recent enough information about the contamination existing at the site to dismiss the concern that the conditions at CU-1 pose a threat to the City's 123,000 customers that depend on the groundwater as its drinking water.

Background and Purpose

The City provides these comments very seriously and fully expects them to be thoughtfully considered and evaluated on several levels. First, important technical questions regarding the Allied Site remain and must be addressed prior to moving forward. Simple solutions that may (or may not) have worked at other Operable Units within the Kalamazoo River Superfund Site will likely not provide the end result that is needed for the Allied Site.

Second, issues related to current plans, ongoing studies, and future development will be presented and discussed. Effective and well-developed solutions must be thoroughly evaluated and integrated into overall redevelopment within the entire Portage Creek corridor so that Kalamazoo will be left with an environmental legacy that make all involved parties justifiably proud.

Third, full involvement of the public and other vested parties must continue as the Superfund process moves forward. Possible solutions that may not mesh with more customary or routine historical solutions will need to be considered prior to any Final ROD. City staff has already offered on numerous occasions their availability and willingness to look at and be involved with potential discussions regarding environmental, property, and redevelopment activities associated with the Allied Site.

The main question to be considered at this critical moment is what condition will the Allied Site be in when it is handed over to our community? And subsequently, what will be the potential for this community to manage and beneficially use the Allied Site?

The City of Kalamazoo is committed to the redevelopment of a significant amount of property around the Allied Site and recognizes the importance of including site reuse as an integral part of the Final ROD for this site.

Environmental Concerns & Wellhead Protection

The City has been thoroughly involved in the Superfund process for the Allied Paper Site since the USEPA and the State of Michigan announced in March 2007 plans to dispose of PCB contaminated sediments from the Kalamazoo River, (OU-5), into the Allied Paper Site. As noted above, the Allied Site is located within a Michigan Department of Natural Resources and Environment (MDNRE) approved Wellhead Protection Area 5-Year Capture Zone for a group of municipal drinking water wellfields that contribute up to 40 percent of the City's Public Water Supply System that serve over 123,000 customers (Figure 1). In addition, the site is surrounded by four established City neighborhoods. A number of environmental and neighborhood organizations, in collaboration with the City, were successful in their efforts to redirect the contaminated sediment to licensed landfills instead of the Allied Site.

Remedial Investigation Report Concerns

Following our review of the 2007 Draft Remedial Investigation Report (RI) for the Allied Paper Site the City also expressed its concerns with the inadequacy of the report especially as it pertained to the lack of efficient hydrogeologic data, lack of discussion regarding wellhead protection/contaminant fate transport, and its numerous technical inadequacies and inconsistencies. Unfortunately, the RI Report was accepted and approved by EPA Region V and the final document was issued in March 2008. In an attempt to address our concerns, the EPA requested that a groundwater evaluation study be performed by the PRP's consultant. In the City's opinion, that study was severely limited in scope and failed to adequately address concerns regarding whether contamination at the site could migrate off-site and into the regional groundwater aquifer system. The City, private organizations, general citizens, and State and Federal Senators and Representatives have extensively documented their concerns in numerous written reports, E-mails, other correspondence, and verbally at public and other meetings.

Lack of Hydrogeologic/Water Quality Information

The lack of sufficient hydrogeologic and water quality information regarding the Allied Site is a major concern considering that the Allied Site is located within a MDNRE-approved 5-year Wellhead Protection Capture Zone. This concern relates to its contamination history and that the process has not followed USEPA's own guidelines for CERCLA site investigations. To emphasize this important point, we offer the following specific examples of how the groundwater investigation process at this site has ignored USEPA's own guidance.

Since there is the potential for the upper aquifer(s) at the Allied Site to impact the lower aquifer, EPA's Hazard Ranking System (HRS) Guidance Manual states "...contamination travels downward, so if an aquifer lies below a contaminated aquifer the lower aquifer is likely to experience contamination as well...The factor value also tends to increase with depth because big municipal wells tend to be deeper..." No information was collected in the Remedial Investigation to characterize the lower regional aquifer.

Since there are known multiple aquifers at the Allied Site, USEPA's document "Evaluating Ground Water Plumes Under the Hazard Ranking System" states "...when multiple aquifers exist, it may be necessary to determine the potential for the release to migrate to an underlying aquifer. In this case, the contaminated ground water plume is evaluated for each of the four potential to release factors (containment, net precipitation, depth to aquifer, and travel time), as for any other source" and "As with all sites, evaluate targets for ground water plumes based on the nearest well, actual and potential contamination of the population, resources, and Wellhead Protection Areas." Clearly, this guidance was not followed to any appreciable degree for the Allied Site.

EPA's document "Ground Water Cleanup at Superfund Sites" states "Aquifers are complex structures. Aquifers can contain cracked and fractured rocks and other geologic variations. These variations can act as nooks and crannies that hold contaminants or create additional pathways for contaminants to follow....Different contaminants behave differently in ground water, which can make them hard to locate and remove, complicating cleanup....A thorough study is important in determining the extent of contamination, and in designing the plan for how a site will be cleaned up." The resulting investigations at the Allied Site cannot be described as "thorough" by any measure since the Groundwater Study did not include any water quality data and no wells were used in water level measurements that represented the lower aquifer of concern. Metals have been largely ignored as an issue even though the City thinks it may be more of a off-site migration threat than PCBs.

Remedial Alternatives

The City has concerns with some of the proposed remedial alternatives. Remedial alternatives 2A & 2B are essentially variations on the same theme. There is no separation of these two alternatives in terms of remediation technology. Both alternatives allow the PCB contaminated residuals to remain in place and or be excavated from designated parts of the site and consolidated within the Bryant HRDLs and FRDLS.

Alternatives 2A & 2B allow the existing PCB-contaminated residuals to serve as the landfill liner. Even though, RODs have been issued for other landfill operable units with the same remedial action approach, this is not acceptable for the Allied Site. From an environmental protection standpoint, crediting the contaminated residuals with the ability to act as a liner is a poor substitute for an impermeable membrane. Furthermore, it has not been adequately demonstrated that the clay layers identified in some of the soil borings are continuous enough to provide isolation from the deeper regional aquifer (see the numerous cross-sections in the RI Report). Even though used at other Operable Units, the environmental setting of the Allied Site is quite different from the others. The surrounding residential and commercial development and the proximity of the municipal wellfield are unique to the Allied Site.

Given the concerns stated above, there are only two of the proposed remedies that can effectively address the concerns that contaminants will not migrate off site and potentially impact the City of Kalamazoo's Public Water Supply System. The first acceptable proposed remedy is Alternative 3 – Offsite Disposal. This would eliminate the source and the threat of off-site migration by effectively removing all the waste from the site.

The second acceptable proposed remedy is Alternative 4 – Full Encapsulation. If any waste is left in place it is essential that it is encapsulated to prevent contaminants from migrating off site both vertically and horizontally. The proposed bottom liner would accomplish the prevention of vertical migration of contaminants within the regional groundwater system, and also prevent its horizontal migration and aid in long-term site management regardless of its ownership.

Economic Development – The Importance of the Portage Creek Corridor to City of Kalamazoo

The Portage Creek Corridor Area has long been an area of great interest for the greater Kalamazoo community. It once served as an economic driver for the region, with multiple paper plants and related workforce housing. Once those uses were removed, however, the remaining buildings, blight, and environmental degradation became a negative influence on the surrounding neighborhoods and the city as a whole.

The importance of the area to the community made a comprehensive planning effort imperative. In 2007, the EPA proposed a relocation of PCBs to the Allied Site along the Portage Creek. The plan galvanized the community, and eventually the relocation effort was altered. This event accelerated the process of planning for the entirety of the Portage Creek Corridor.

Long Range Planning and Redevelopment

The Portage Creek Corridor Reuse Plan calls for enhanced open space, pedestrian-bike pathways, mixed use developments, and enhanced streetscape (see Figure 2). The plan also calls for the relocation and naturalization of a portion of Portage Creek, as an environmental benefit to the surrounding low-income area and an economic driver for eventual redevelopment.

The preparation for the plan included three public input meetings, work with a steering committee, stakeholder interviews, a detailed environmental analysis, and a market study. Additionally, existing planning efforts from both the EPA and the Kalamazoo River Cleanup Coalition were converged in a single process. Through a collaborative effort which included the EPA, city officials, neighborhood associations, the Potentially Responsible Parties, the Kalamazoo River Watershed Council, the Allied Site Task Force, area business owners, the Kalamazoo River Cleanup Coalition, and residents, the City of Kalamazoo created the Portage Creek Corridor Reuse Plan. With overwhelmingly support from the community the Plan was adopted in early 2009 as part of the city's Master Plan and can be found at <http://portagecreekreuse.com>.

City of Kalamazoo/BRA Role

For many years, the City of Kalamazoo has been a catalyst for redevelopment in our community. Through its nationally-recognized Brownfield Redevelopment Initiative (BRI) program the City of Kalamazoo has partnered with development entities on projects that have transformed over 100 acres of under utilized Brownfield property into productive uses. Since 1996 these projects have leveraged over \$183 million in private investment in our community while creating/retaining approximately 1,500 jobs.

The City of Kalamazoo and its Brownfield Redevelopment Authority (BRA) have made significant investments of time and resources towards long term redevelopment of the Portage Creek Corridor. The BRA is a considerable landowner within the target area as it holds title to the former Performance Paper site, and is in the process of acquiring the Panelyte site (adjoins the Allied Paper site) from the Michigan Fast Track Land Bank Authority. These sites, totaling almost 50 acres, are included both in the city BRA Amended and Restated Brownfield Plan and in a strategically placed renaissance zone, the intent of which is to make available potential incentives to the development community as an aid in long term redevelopment of the corridor.

The opportunity to reuse/redevelop sizeable tracts of land like these within the heart of the City does not present themselves often. It takes careful long-term consideration, resources, and vision to develop and implement property reuse strategies for sizeable land masses with complex former uses. The City of Kalamazoo and its partners are most suited and committed to seeing through the vision for Portage Creek Corridor.

Fast/Present/Future Investment – All of Ours & Our Partners

To date, the city/BRA investments into reuse and redevelopment of the Portage Creek Corridor are in excess of \$600,000 with another \$530,000 scheduled to be invested in 2011 for relocation of area utilities. Since 2004 State investments through the MDNRE exceed \$3.9 million in partnership with the City of Kalamazoo to prepare the former paper mill property for redevelopment.

In 2010 this City BRA/DNRE partnership was also awarded two grants totaling \$3.3 million by EPA to complete the demolition of former paper mill building foundations and establish a naturalized 150-foot-wide/1,440 foot-long floodplain. Add previous environmental assessment and land use planning activities and you have a total investment of over \$8.5 million of local, state, and federal commitment towards redevelopment of the Portage Creek Corridor.

Current Remedial Alternatives

Currently, Section 4.0, 'Potential Remedial Alternatives', is void of any discussion of site reuse. With each alternative, it appears that Institutional Controls such as, "deed restrictions, perimeter fencing with warning signs, permit tools and informational devices" will be considered. In view of the above discussion, reuse of the Allied Site is of paramount importance to the City. Ongoing activities for contiguous areas speaks to the City's redevelopment effort.

There have been more than 240 reuse success stories at Superfund sites in all areas of the country, with at least 13 in Michigan and 56 in Region V. Nationwide, over 130 of those sites involve a totally new use for the site, such as commercial, ecological, recreational and agricultural all of which are safe and productive uses, while at the same time protective of human health and the environment. The City as well as the entire stakeholder group asks that the agency continue working with the community partners in considering future use opportunities and integrating appropriate reuse options into the Feasibility Study and cleanup process.

Need for Trustee as a Long-Term Partner not an Obstacle & EPA Role to Assist

In order to continue our focus on long-term redevelopment of the Portage Creek Corridor it is imperative that a working relationship/partnership be developed between the City of Kalamazoo and the Trust/Trustees of the former Lyondell/Millennium property. This partnership is crucial to long-term corridor viability and redevelopment/reuse. We cannot afford a collective hands-off approach that allows this entity to, largely, do as it wishes and hope for the best. Instead, positive opportunities must be sought out and executed for the best interest of our citizens and the community's long-term viability. The USEPA must play a role here as facilitator to encourage and support reasonable reuse/redevelopment strategies and assist with their implementation and execution by whatever means are available and necessary. Only a proactive approach to long-term corridor redevelopment will be acceptable to the City of Kalamazoo and its citizens. We must have cooperation from the Trustee and USEPA to execute the community's planning vision for Portage Creek Corridor.

Short/Long-Term Redevelopment Needs from Trustee and Regulators

- Assuming that a total removal of PCB waste is not part of the ROD, then an approach (developed in partnership with Trustee) to long-term productive reuse of Trustee property that would benefit the community should be developed. It would be unacceptable to the city and its citizens to simply fence the site and never allow it to be accessed for passive recreation as called out in the Portage Creek Corridor Reuse Plan
- The City of Kalamazoo Brownfield Redevelopment Authority as a large area land-owner within the corridor is intent on acquisition of identified Trustee property for redevelopment purposes. The parcels currently targeted for BRA acquisition include those with frontage on the south side of Alcott Street adjacent to the former Panelyte site and potentially the land locked parcel contained within the former Panelyte property. The BRA may have future interest in other Trustee property as remedial activities are implemented (see Figure 3)
- Issues must be resolved in the short-term with the Trust that relate to access to and current trespassing at the former Panelyte property

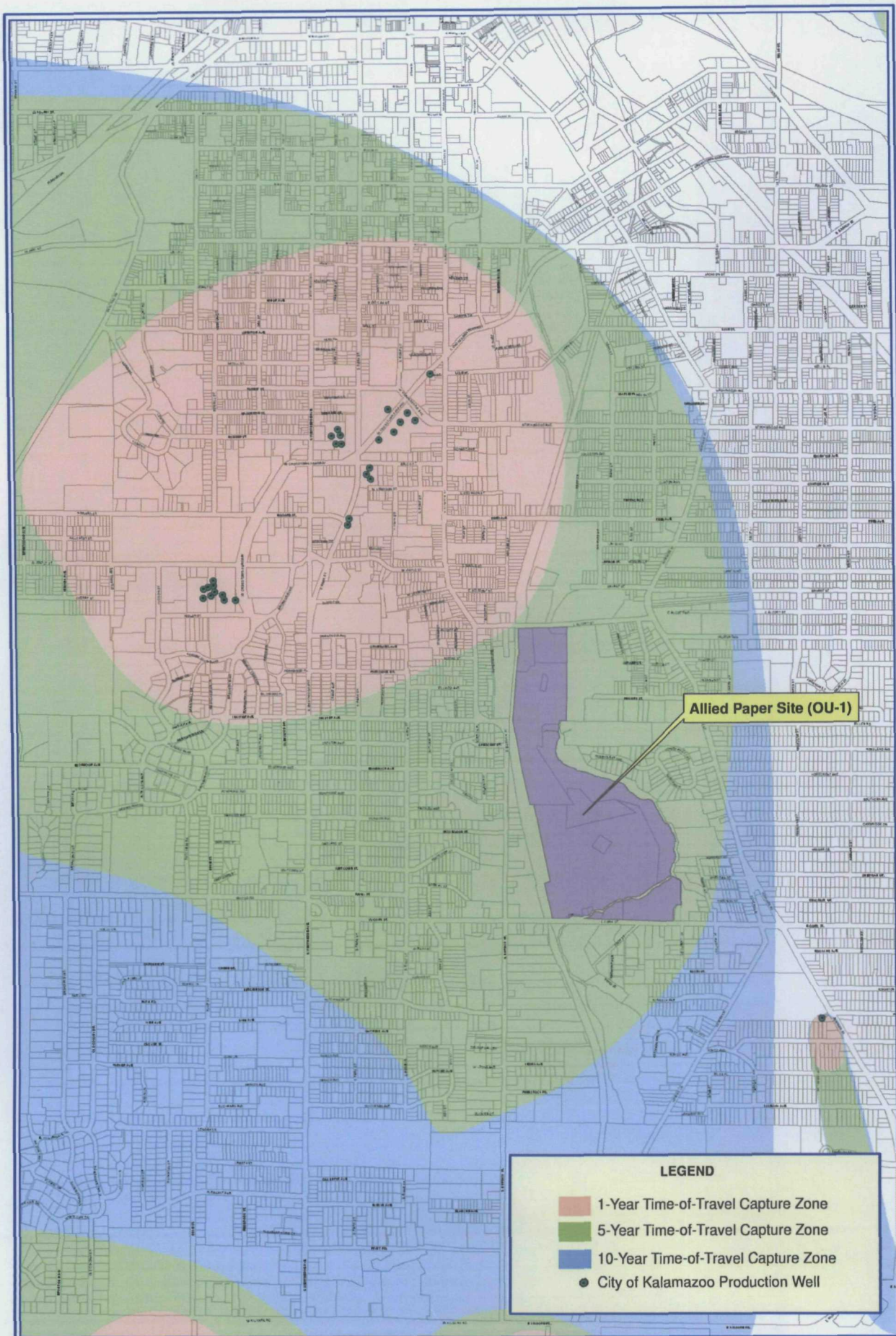
- Corridor reuse planning also calls for establishment of railway connections that may include the use of targeted Trustee property. The City of Kalamazoo would expect access and Trustee participation in the establishment of such public railway amenities
- Should the ultimate remedy of Allied OU# 1 include capping activities that require material to shape and/or absorb then the City of Kalamazoo and its BRA would request that fly ash material located both at the former Performance Paper and East Bank sites be used for those purposes along with the replacement of necessary backfill. Identical activities have been successful at other landfill sites using material, free of charge, from the East Bank site to help in shaping the new landfill cap. Such fly ash currently impedes redevelopment at both locations and could be one of many win/win situations for both the City and Trust.
- Aid in determining which parcels of property actually constitute current listed Superfund sites within corridor and their de-listing where and as applicable and is appropriate.

Summary

The Remedial Investigation (RI) and the subsequent Groundwater Evaluation Study did not adequately characterize the hydrogeologic and contaminant conditions of the Allied Site. Given the contaminant disposal history of the site, the known contaminant levels, and the site's location within a MDNRE approved Wellhead Protection Area, the City thinks that there is a reasonable likelihood that the contaminants present at the site – especially metals – can migrate off-site and into the regional aquifer system that the City uses for its drinking water supplies. Of the proposed Remedies, only Alternative 3 – Offsite Disposal, or if waste remains on site, Alternative 4 – Full Encapsulation, provides adequate protection of public health and environmental protection. Anything less, considering the unique circumstances of the Allied Site, would not be protective of public health, the groundwater, or the overall environment.

Of the potential remedies, only Alternative 3 – Offsite Disposal and Alternative 4 – Full Encapsulation, provide any possible effective reuse and redevelopment in the immediate area and of the Allied Site. There is significant progress in many areas both north and south of the site that are very dependent upon proper cleanup of the site. Failure to adequately address these concerns will leave stranded investments, an unsightly remnant of a landfill, and a redevelopment "hole" that can never be filled.

The City has offered and will continue to offer its knowledge, expertise, efforts, and input to help the USEPA and its contractors deliver a cleanup alternative that is economically viable, environmentally sound, and provide for the overall betterment of the community. It is the City's sincere hope that the National Remedy Review Board and the USEPA – Region V staff will thoughtfully and carefully considered this input so that a mutually acceptable solution for the Allied Site is achieved.



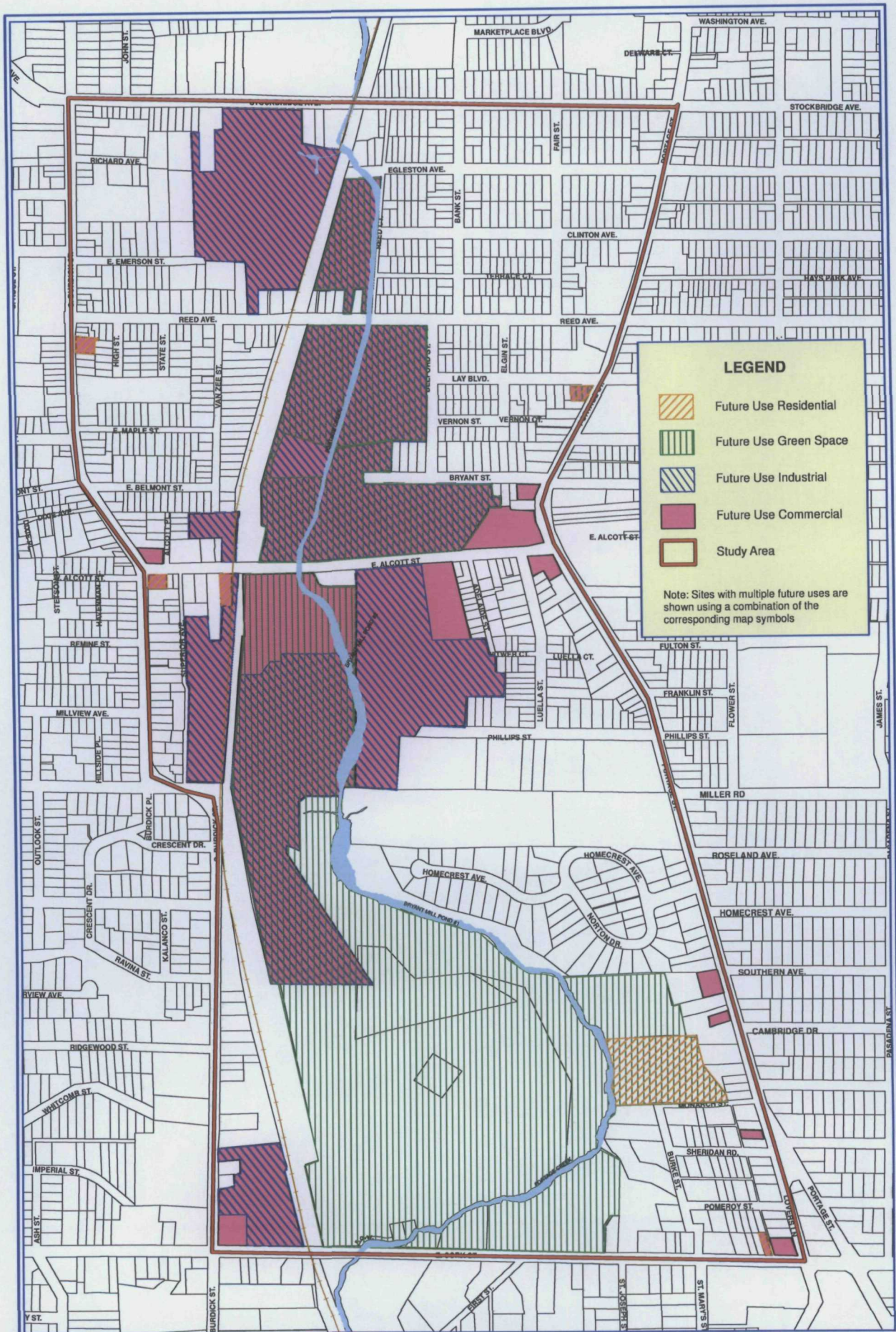


Figure 2

**Possible Future Use of Properties
in the Study Area
with Known or Suspected
Environmental Contamination**



**Allied Site
Designated Areas**
(2004 Photography)

